

VZCZCXYZ0014
RR RUEHWEB

DE RUEHKI #1308/01 2301231
ZNR UUUUU ZZH
R 181231Z AUG 06
FM AMEMBASSY KINSHASA
TO RUEHC/SECSTATE WASHDC 4625
INFO RUCPDO/DEPT OF COMMERCE WASHDC

UNCLAS KINSHASA 001308

SIPDIS

SIPDIS

DEPT FOR AF/EPS: THASTINGS

E.O. 12958: N/A
TAGS: [EINV](#) [ETRD](#) [KTEX](#) [AGOA](#) [CG](#)

SUBJECT: AGOA: DRC'S TEXTILE AND APPAREL PRODUCTION CAPABILITIES

REF: SECSTATE 131825

11. (U) Post submits the following in response to reftel request for information on textile and apparel production capabilities in the DRC.

12. (U) The DRC's three primary textile facilities are Congo-Tex in Kinshasa, Sotexki in Kisangani, and Sintexkin in Lubumbashi. In total, the DRC produces less than ten percent of the estimated 100 million square meters of the cloth purchased in the DRC. The DRC no longer produces adequate cotton to supply its factories' needs. Although the DRC is AGOA-eligible, it cannot export textiles and apparel into the U.S. under AGOA's duty-free and quota-free provisions.

Congo-Tex

13. (U) Congo-Tex, previously known as UtexAfrica, now 55 percent Chinese-owned, is located in Kinshasa on a 45-hectare complex. Its annual gross sales are approximately USD 18 million. It still has a fully integrated mill with its own farms, spinning-weaving-dyeing, printing and garment divisions. It employs 1,154 direct-hires and contractors, 50 percent of whom work in apparel production, ten percent in textile production, and the rest in administrative and other support functions. The company produces 7 million meters of fabric per year.

14. (U) Equipment includes: 20,160 wire stitching machines, of which only 30 are operational; two sizing machines and three weaver's machines for weaving-preparation; 35 Picanol President CM 188s, 12 Picanol President MDCs and 253 Sulzers in the weaving section; and 326 sewing machines in apparel production. Congo-Tex uses 23 different machines in its dyeing and printing departments.

15. (U) Congo-Tex imports cotton from West Africa, including Nigeria. The main products are still African prints for women, medical textiles, garments (protective wear, and military, police and school uniforms), and blankets. The target market for African prints is the DRC, the Republic of Congo, Zimbabwe and Angola. Low-end textiles are sold at between USD 7 and 10 per bolt while high-end products sell between USD 13 or 17.

Sotexki

16. (U) Sotexki is Congolese-owned and managed, with a large, well-maintained compound. In the late 1980s, Sotexki had 2,550 employees and produced 1.5 million linear meters of cloth. Today, the factory continues to operate 24 hours a day, but only has a staff of 270 and produces 80,000 to 100,000 linear meters of cotton cloth. The factory combs, spins, weaves, and dyes the cotton, and all designs are original. It does not produce apparel. Inadequate roads and power supply, heavy taxes and Chinese competition are the primary factors that limit production.

¶7. (U) The factory recently acquired new machinery and keeps existing machinery well maintained. In its spinning department, Sotexki has three nine-ton working loom machines, one carding machine, a stitching bench, and 52 continuous spinners. In its pre-weaving department are four electronic auto-corners, eight winding machines, six spooler-wrapping frames, and two sizing machines. There are 456 Picanol machines and 36 Sulzer Ruti machines in the weaving section. In the printing department, Sotexki has one 30 meters per-minute shearer machine, a six-compartment bleaching machine, a Mercerizer, and other machines. Electricity shortages, however, force the factory to operate at approximately 10 percent capacity.

¶8. (U) Although some of the cotton is produced in the DRC, most is imported from other African countries, including Uganda. Sotexki uses gum Arabic, manioc starch paste, palm oil, and urea to produce the cloth, plus caustic soda in the printing process. Sotexki purchases these inputs from European and Asian countries, including India. Because the DRC lacks adequate roads, the raw materials have to be flown in, significantly raising production costs.

¶9. (U) Sotexki targets producers of women's clothing, sheets, curtains, medical masks and uniforms, and diapers. Retailers, political parties, and religious groups also order bolts of dyed cotton fabric in bulk. Almost none of the cloth is exported. Sotexki's charges an average price of USD 8 for a six-yard bolt, retailed at about USD 9. However, Chinese textile producers, who are able to produce and sell textiles at lower prices, have copied many Sotexki designs.

Syntexkin

¶10. (U) Post was unable to obtain updated information from Sintexkin, whose textile factory is still operational.

Third-Country Fabric Provisions

¶11. (U) Post did not receive a timely response from GDRC officials regarding third-country fabric provisions. Given the DRC's inability to produce the cotton necessary to supply its own domestic textile industry, it will be essential for third-country provisions to be in place if and when the DRC obtains a textile visa.